



NEWS RELEASE

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SBA, ORGANIZATION FOR NEW EQUALITY SIGN HISTORIC PARTNERSHIP AGREEMENT

WASHINGTON, DC – The Small Business Administration's (SBA) Deputy Administrator Fred Hochberg today signed a historic partnership agreement with the Organization for New Equality (ONE). ONE is a national African-American organization that works with legislators, the media, and private businesses to promote social change for an open economy for everyone.

"This agreement today ensures more Americans a seat at the nation's economic table," Deputy Administrator Hochberg said. **"Combining the resources of the SBA with the network of ONE sends a powerful message that we're serious about all Americans sharing in our economic prosperity."**

According to the SBA, the number of African-American-owned businesses has grown by 108 percent from 1987 to 1997, to an estimated 880,000 businesses. Estimated revenues from these firms are \$59 billion annually. But there is plenty of room for growth.

According to Hochberg, African-Americans are one of the fastest growing groups in America representing well over 10 percent of the U.S. population. Yet, as a group,

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African-Americans own less than 4 percent of the nation's businesses. Today's partnership agreement states that the SBA and ONE will combine their efforts to reach out to African-Americans who may benefit from SBA services and to help more small firms succeed.

Deputy Administrator Hochberg added that today's event was significant because it illustrated the Clinton-Gore Administration's commitment to ensuring that all Americans have the opportunity to benefit from the strongest U.S. economy in a generation. Hochberg said that continued economic growth depends on spreading the prosperity through outreach initiatives such as the ONE partnership signed today.

The SBA's African-American outreach effort is part of a broader initiative by the SBA to reach New Markets—those markets that have been underserved—such as women and minorities, as well as businesses located in distressed rural and urban areas. The effort was developed in support of President Clinton's desire to promote racial reconciliation through increased economic opportunity. These national partnership agreements also help forge stronger relationships between SBA district offices, local chambers, and other SBA resource partners as well as the participating organization's local chapters.

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The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of direct and guaranteed business loans and disaster loans worth more than \$45 billion, SBA is the nation's largest single financial backer of small businesses. Last year, SBA offered management and technical assistance to more than one million small business owners. SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses.

America's 23 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.

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